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MEMORANDUM OF UNDERSTANDING BETWEEN *(INSERT COMPANY NAMES HERE)* AND THE U.S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FOR THE PURPOSE OF PREPARING AN ENVIRONMENTAL IMPACT STATEMENT FOR THE _____ NATURAL GAS PROJECT

I. BACKGROUND AND PURPOSE

The U.S. Department of Interior, Bureau of Land Management (BLM) has determined that an environmental impact statement (EIS) is required for *(insert companies or company name here)* (hereinafter referred to collectively as the COMPANIES or individually as a COMPANY) proposal to expand natural gas development within in the _____ area through infilling the existing field. The _____ area encompasses Townships 28 and 29 North, Ranges 107, 108, and 109 West, 26th Principal Meridian, and is located in the eastern half of the _____ Field in _____ County, Wyoming. This project will be called the _____ (____). The purpose of this Memorandum of Understanding (MOU) is to establish an understanding between the COMPANIES and the BLM regarding the respective responsibilities, conditions, and procedures to be followed during the preparation of the Draft and Final EIS.

Current policies for development and land use decisions within this area are contained in the _____ *Resource Area Resource Management Plan (RMP) EIS* (BLM 1998) and the _____ *Resource Area RMP Record of Decision (ROD)* [BLM 1998]. The RMP states, "The public lands and federal mineral estate will be made available for orderly and efficient development of mineral resources. All minerals actions will comply with goals, objectives, and resource restrictions (mitigations) required to protect the other resource values in the planning area." The _____ is in accordance with the RMP as updated by the _____ *Oil and Gas Exploration and Development Project EIS and ROD* (BLM 2000), which sets an oil and gas reasonably foreseeable development (RFD) scenario for the _____ Resource Area (____) of 3,010 new wells. The _____ EIS and ROD may be used to revise the existing _____ oil and gas RFD and associated analyses in the _____ RMP revision effort currently underway. The _____ EIS may also incorporate, by reference, information and analyses prepared for the _____ EIS and ROD (1999) and for the _____ environmental assessment and Decision Record (2002).

To facilitate timely completion of required environmental documents, the COMPANIES have agreed to contract the EIS preparation with a consulting firm approved by BLM.

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Pursuant to 40 CFR 1506.5(c), the COMPANIES have recommended and the BLM has approved (**insert name here**) (Hereinafter referred to as the CONTRACTOR) to conduct the environmental analysis process and to prepare a Draft and Final EIS at the COMPANIES' expense.

In accordance with 40 CFR 1506.2(a) and (c), to reduce duplication to the fullest extent possible, other federal, state, and local agencies having jurisdiction by law or special expertise will be informed and invited to provide input and cooperate with the parties to this MOU during the preparation of the Draft and Final EIS.

II. NEPA COMPLIANCE

The EIS will be prepared in accordance with the *National Environmental Policy Act of 1969, as amended* (NEPA; 42 USCA Sec. 4321 to 4370e) and in compliance with all applicable regulations and laws passed subsequently, including Council on Environmental Quality (CEQ) regulations [*40 Code of Federal Regulations (CFR) 1500-1508*], USDI requirements (*Department Manual 516, Environmental Quality* [USDI 2004]), BLM guidelines (*Handbook H-1790-1* [BLM 1988a]), *Guidelines for Assessing and Documenting Cumulative Impacts* (BLM 1994a) and *Considering Cumulative Effects under the National Environmental Policy Act* [CEQ 1997]. As the lead agency, BLM is responsible for analyses and documents that conform to the NEPA, CEQ and other pertinent federal laws and regulations. The COMPANIES and the CONTRACTOR agree to produce an analysis and document that meets BLM standards.

This EIS will assess the environmental impacts of the COMPANIES' proposed action, the no action alternative, and a range of reasonable alternatives, and will serve to inform the decision-making official and the public. The project components that must be analyzed in the ____ shall include, but not limited to, the following:

1. The COMPANIES' proposed action - drill, complete and operate up to 1,250 new producing natural gas wells from a combination of existing and up to 850 new well pads at a rate of approximately 50 wells per year; install and operate ancillary drilling and production facilities, including five water wells; and construct and use associated pipelines and access roads for the proposed additional 850 well pads; well pads and wells would be constructed and drilled within the _____ increasing the existing the well pad density of a maximum of 20 acres spacing of well pads to a maximum of 10 acre spacing of well pads; and upgrade the entire _____ from its intersection with Highway 2 to its terminus at _____.

No Action – new development as proposed would not be approved and the proposal rejected by the BLM;

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2. A reasonable range of development alternatives to the proposed action;
3. Construction activity, including access roads, natural gas and water well locations and sizes, compressor sites, gathering systems to transport the gas from the wellhead to a central metering point or main pipeline, produced water disposal wells, and installation of a corrosion inhibitor system;
4. Transportation planning, including an evaluation of existing roads, development of transportation corridors for roads and pipelines, development of road construction and maintenance standards, reconstruction activities associated with the upgrade of the _____, and compliance with required monitoring;
5. Increased manpower requirements for construction, drilling, completion, production operations associated with the increased rate of development and activity;
6. Drilling operations, including time and personnel required to drill and complete a well; housing of drilling personnel;
7. Abandonment and reclamation; and
8. Monitoring of construction and reclamation practices, impacts to wildlife, and compliance with other NEPA requirements.

The BLM and the COMPANIES understand and agree that the EIS will analyze the cumulative impacts (see 40 CFR 1508.7 and *Considering Cumulative Effects under the National Environmental Policy Act* [CEQ 1997]) of the _____ with the existing and reasonably foreseeable development within the affected environment [40 CFR 1502.15].

III. AUTHORITIES

This MOU is entered into under the following authorities:

- A. The *National Environmental Policy Act of 1969, as amended* (Public Law [PL] 91-190, 42 USC 4321 et seq.);
- B. The *Federal Land Policy and Management Act of 1976* (PL 94-579, 43 USC 1701 et seq.); and
- C. The *Mineral Leasing Act of 1920* (30 USC 181 et seq.)

IV. RESPONSIBILITIES

A. BLM Responsibilities

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1. The BLM will be the lead Federal agency in the preparation of the EIS and will be responsible for compliance with the requirements of NEPA, CEQ regulations, and other pertinent federal laws and regulations.
2. The _____ Field Office's (____) Field Manager (hereinafter referred to as the Field Manager) will select and oversee the CONTRACTOR paid for by the COMPANIES, to prepare the EIS in accordance with accepted third party contracting procedures [40 CFR 1506.5(c)]. The Field Manager will designate for the BLM a sole point of contact for all matters related to the preparation of the EIS by the CONTRACTOR.
3. The BLM will consult with and keep the COMPANIES informed on the progress of the EIS, as well as any data needs or changes, on at least a monthly basis.
4. The BLM will invite the COMPANIES and the CONTRACTOR to attend meetings with federal, state, regional and local agencies and other groups throughout the EIS/NEPA process.
5. The BLM will provide oversight of the EIS preparation process on a bi-weekly basis or more frequently if needed to verify that the CONTRACTOR considers existing data, environmental descriptions, and analysis available from the COMPANIES, BLM, and other sources, and that the CONTRACTOR does not duplicate work already completed unless BLM determines that the existing work is not adequate for the purposes of the EIS. The BLM and the CONTRACTOR will jointly assess whether existing work must be modified or redone. The BLM requires that the CONTRACTOR provide adequate copies of all maps, reports, and draft documents to allow for a timely review.
6. When requested to do so by a COMPANY or the COMPANIES, BLM will treat specific data provided by a COMPANY or the COMPANIES as confidential and proprietary to the extent permitted by law. This responsibility extends to both internal and CONTRACTOR use of the information. In the event that any confidential or proprietary information is required by law to be released by BLM, the COMPANY or COMPANIES shall be provided written notice of any such proposed release at least thirty (30) days in advance of such release.
7. The BLM is responsible for complying with NEPA procedures and implementing regulations including, but not limited to: document contents, administrative record (including documentation of rationale and supporting information), public review of the EIS, and required decision documentation. BLM shall ensure that the EIS presents a range of reasonable alternatives and includes relevant environmental/social/economic issues and impacts, including cumulative impacts. The BLM will provide a mailing list to the CONTRACTOR for distribution of the EIS to the public.

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8. The BLM is responsible for all costs associated with the preparation, reproduction, and mailing of the Record of Decision.
9. The BLM will consult with the COMPANIES on the project description as needed, particularly during impact analysis, to assist in improving the project description to avoid, mitigate, or otherwise address adverse impacts. The BLM will direct how the CONTRACTOR will consider existing data, environmental descriptions, and analyses available from all sources including the BLM.

B. COMPANIES' Responsibilities

1. The COMPANIES will designate a single-point contact for the BLM on all matters relating to the preparation of the EIS.
2. The COMPANIES will be responsible for developing and executing a contract with the CONTRACTOR. The COMPANIES will be responsible for all costs and any continuing costs incurred by that CONTRACTOR until terminated by the COMPANIES.
3. Prior to awarding the contract the COMPANIES will ensure that the CONTRACTOR signs a "No Conflict of Interest" or "Disclosure Statement" stating that the CONTRACTOR does not have any interest, financial or otherwise, in the outcome of the project. A copy of the signed statement must be provided to BLM.
4. The COMPANIES will be responsible for providing an electronic copy of the draft and final EIS documents in a PDF format on a medium acceptable to the BLM. The COMPANIES AND CONTRACTOR will assist BLM in fulfilling its responsibilities for with the requirements of NEPA, CEQ regulations, and other pertinent federal laws and regulations.
5. The COMPANIES shall provide to the BLM a written and full description of the proposed project to facilitate preparation of the description of the proposed action and voluntary mitigation measures (a.k.a. operator committed measures) to be included as part of the proposed action. The COMPANIES may also provide the CONTRACTOR with a copy of their proposal submitted to the BLM. The COMPANIES shall provide the CONTRACTOR with any MOUs or agreements pertinent to the preparation of the EIS.
6. The COMPANIES will provide the BLM, as specified by the Field Manager, any justifiable, necessary, or relevant technical and environmental information it may have which is needed, at the BLM's discretion, for environmental analysis and documentation for the proposed field development. The COMPANIES will ensure that the CONTRACTOR provides BLM will all documentation, including, but not limited to, interdisciplinary (IDT) and CONTRACTOR'S EIS team meeting notes, e-mail messages, analysis protocols and methodologies and data, rationale, maps, GIS data and its FGDC-compliant metadata, and any other supporting information used in the preparation of the

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____ EIS. Such information is part of the administrative record for this project and EIS. The administrative record for the ____ will be maintained at the _____ Field Office, and the COMPANIES and the CONTRACTOR share responsibility with BLM for ensuring that the record is complete and accurate.

7. The COMPANIES will review the technical, environmental, and socio-economic information in its possession, and to the extent that such information is not restricted by confidentiality agreements, the COMPANIES will provide BLM with such information that they believe is necessary for review or input into the analysis or other parts of the document. BLM will provide this information to the CONTRACTOR.
8. The COMPANIES will provide directly to BLM, responses to data requested and provide review comments within the time limits established by BLM to the extent reasonably possible (or the schedule will be adjusted accordingly). BLM is responsible for providing this information to the CONTRACTOR in a timely manner.
9. As requested by the BLM the COMPANIES will attend meetings and participate in the preparation of appropriate mitigation measures to resolve or lessen adverse impacts. The CONTRACTOR'S EIS team, or specific members thereof, will attend BLM IDT meetings as requested or deemed useful by the BLM.
10. The COMPANIES will specify in the contract with the CONTRACTOR that the CONTRACTOR shall be responsible to respond, as necessary, to BLM requests for input, for responding to public comments arising from the draft and final EISs, and other information (i.e., mapping, public meeting materials, etc.) as deemed necessary by the BLM during the preparation of the draft and final documents, and as necessary during preparation of the Record of Decision.
11. Except for preparation of the Record of Decision as described herein, the COMPANIES will be responsible for stenographic, clerical, graphics, and layout services; printing to established BLM standards; and all costs for analysis, internal review drafts, and final copies of the Draft and Final documents prepared by the CONTRACTOR. Foldout sheets and large maps shall be provided where possible. The COMPANIES shall be solely responsible for the cost of preparing and providing the number of copies of the draft and final EIS (full document or executive summaries) as may be necessary for public review, for the cost of distributing as directed by the BLM, and for one copy suitable for reproduction by the BLM and 16 printed copies to BLM for their submission to the Superintendent of Documents.

C. JOINT Responsibilities

1. The BLM, in cooperation with the COMPANIES and the CONTRACTOR, will develop an EIS Preparation Schedule that projects key dates. The tentative Schedule, current as of the signing of this MOU, is attached as Exhibit 1. Changes to the schedule will

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require advance approval by the BLM, and the COMPANIES and the CONTRACTOR. Should a party not be able to meet a key date requirement, advance notification shall be given to the other parties. The notification shall include a projected date the requirement will be met. All parties will use best efforts to adhere to, and assist each other in adhering to, the EIS Preparation Schedule.

2. In cooperation with the COMPANIES and the CONTRACTOR, the BLM has developed a Public Participation Plan (attached as Exhibit 3) that indicates key milestones in the preparation of the EIS.

IV. ADMINISTRATIVE AND LEGAL PROVISIONS

A. Applicable Law.

The parties agree to comply with all applicable laws governing activities under this MOU.

B. Term of MOU

This MOU will commence upon the date last signed and executed by the duly authorized representatives in accordance with provisions listed below in V, part D (Termination) or until a Record of Decision on the _____ Project is issued by the BLM, whichever occurs first.

C. Amendments

Either party may request changes in this MOU. Any changes, modifications, revisions, or amendments to this MOU, will be incorporated by written instrument, executed and signed by all parties to this MOU, and will be effective in accordance with the terms of paragraph A. above.

D. Termination

1. Either party may terminate this MOU after thirty (30) days written notice to the other party of their intention to do so. During this period, the parties will enter negotiations to resolve the disagreement(s). If the disagreement(s) have not been resolved by the end of the thirty-day period, the MOU will terminate. In the event negotiations are progressing but are not concluded by the end of the thirty-day period, the party initiating the request to terminate may request termination be postponed for an additional thirty day period.
2. In the event of termination of the MOU, and at the request of the COMPANIES, the BLM will initiate preparation of any remaining analysis and documentation covered by this MOU consistent with staff and budget limitations. The COMPANIES will be required to submit to the BLM all information and records held by the COMPANIES and the CONTRACTOR that were used for EIS preparation up to the point of MOU

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termination, as well as all information and records held by the COMPANIES and the CONTRACTOR needed to support continued preparation of the EIS.

E. Limitations

In executing this MOU and taking any other action contemplated hereby, the COMPANIES reserve the right to contest, in any administrative or judicial proceedings, any and all decisions concerning issues in the EIS or any other Federal requirements related to the proposed project. The COMPANIES recognize that nothing in this MOU commits BLM to permit the project or otherwise take action favorable to the COMPANIES upon all or any part of the proposal.

F. Entirety of Agreement

This MOU consisting of eleven (11) pages and its attachments represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and agreements concerning the ____ EIS, whether written or oral.

G. Severability

Should any portion of this MOU be determined to be illegal or unenforceable, the remainder of the MOU will continue in full force and effect, and either party may renegotiate the terms affected by the severance.

H. Exchange of Information

Data provided pursuant to this agreement may contain proprietary or pre-decisional BLM or COMPANIES information. All records or information requested of either party by the other will be reviewed by the releasing party prior to release. To the extent permissible under law, any recipient of proprietary or pre-decisional information agrees not to disclose this information to the public or other parties. To the extent permissible by law, any recipient of this information agrees not to transmit or otherwise divulge this information without approval from BLM or the COMPANIES or both. Any breach of this provision may result in termination of this MOU. Requests for information will be made through the points of contact identified in **VI. CONTACTS**, below.

I. Third Party Beneficiary Rights

The parties do not intend to create in any other individual or entity the status of third party beneficiary, and this MOU must not be construed so as to create such status. The rights, duties and obligations contained in this MOU operate only between the parties to this MOU, and inure solely to the benefit of the parties of this MOU. The provisions of this MOU are intended only to assist the parties in determining and performing their obligations under this MOU. The parties to this MOU intend and expressly agree that only parties signatory to this

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MOU will have any legal or equitable right to seek to enforce this MOU, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this MOU, or to bring an action for the breach of this MOU.

J. Administrative Consideration

1. In carrying out the terms of this MOU there shall be no discrimination against any person because of race, creed, color, sex or national origin.
2. The terms of this MOU are effective only to the extent BLM is authorized to take actions, and to the extent funds are appropriated or otherwise made available.
3. All documents released to the public must reflect the independent judgment of BLM. BLM is responsible for the adequacy and objectivity of all such documents. The COMPANIES and CONTRACTOR will provide BLM with the necessary support to meet that responsibility.

VI. CONTACTS: The primary points of contact for carrying out the provisions of this MOU are:

COMPANIES:

Insert Name and Address here:

BLM:

Insert Name and Address here:

V. SIGNATURES

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For *Insert Company Name here:*

By:

Signature

Date

Title

Insert Name, Company and Address here:

For Bureau of Land Management

By:

Signature

Date

Title

Insert Name, Title and Address here:

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Insert Name and Company here, Attorney, Approval as To Form.

Insert Name and Title here:

Date:

BLM Regional Solicitor's Office, Approval as To Form.

Insert Name and Title here:

Date:

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EXHIBIT 1 TENTATIVE EIS PREPARATON SCHEDULE FOR THE

Tasks	Target Dates
BLM Start-up Meeting - Establish BLM Interdisciplinary Team. Review proposal	March 2003
Third-party Contractor approved.	April 2003
MOU and Preparation Plan Finalized	May 2003
<i>Federal Register</i> Notice published - start of Scoping Period.	April 2003
Scoping Notice sent to public.	April 2003
Description of Proposed Action, Purpose & Need statement	May 2003
Public Scoping Meeting	May 2003
Meeting between BLM, Contractor to develop alternatives and cumulative impact analysis area based upon public issues/BLM concerns	June 2003
Affected Environment, and Environmental Consequences sections completed	December 2003
Preliminary Draft EIS to BLM and interagency personnel for review.	January 2004
PDEIS comments to Contractor.	January 2004
Final review for print copy of DEIS. Cooperating agency (if created) may review.	February 2004
Publication of DEIS. NOA in <i>Federal Register</i> . Start DEIS Review Period (60 days from publication by EPA in the <i>Federal Register</i> mandatory). .	March 2004
Hold public meetings	April 2004
Public comment period ends, all public comments to Contractor.	May 2004
Contractor analyzes public comments, summary report to BLM.	June 2004
Preparation of PFEIS. Preliminary Final EIS to BLM for Review.	November 2004
PFEIS comments back to Contractor.	November 2004
Final internal review of FEIS.	December 2004
NOA published in <i>Federal Register</i> . 60-day comment period. Release & distribution of FEIS	January 2005
Comment period ends. Additional public meetings if necessary.	March 2005
ROD issued. Appeal period begins.	April 2005

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EXHIBIT 2 PUBLIC PARTICIPATION PLAN

AGENCY AND INITIAL PUBLIC SCOPING

The public notice of intent (NOI) will be prepared and published in the Federal Register. BLM will distribute project and scoping information to appropriate local, state, and federal agencies, elected officials, public land users and user groups, affected landowners, and news outlets including newspapers and radio and television stations. The scoping information will describe the COMPANIES' proposal, identify the proposal's relationship to land use plans and other environmental documents, describe proposed compliance with the National Environmental Policy Act, disclose land and resource management issues and concerns, and solicit comments from the public. In addition, it will announce the time and place of a public involvement meeting to provide the general public, affected interests, and stakeholders with an opportunity to review the COMPANIES' proposal and provide input to BLM regarding concerns, issues to be addressed, etc. On the date the NOI is published in the Federal Register, the _____ Field Office project leader will post the information on the __ NEPA Register (Log).

DEVELOPMENT OF ALTERNATIVES AND CUMULATIVE IMPACT ANALYSIS AREAS

Based on the key issues identified following public comment and cooperating agency input, a range of reasonable alternatives to the proposed action will be generated. Cumulative impact analysis areas and associated impact level definition criteria also will be developed based on plans, data, concerns, and methodologies. Input from BLM specialists, cooperating and other government agencies, the public, and the COMPANIES will be used for alternative and cumulative impact assessment area development, as appropriate. Concurrently, the Affected Environment and Environmental Consequences sections will be developed and associated data collection or analyses will occur. Public meetings will be held to explain alternatives and cumulative impact analysis areas and solicit for comments and additional resources information.

DRAFT EIS

Development of the Preliminary DEIS (PDEIS) will be overseen by the BLM and may include input from BLM specialists or an interdisciplinary team or both, cooperating and other government agencies, and the public. Prior to publication of a Notice of Availability, the BLM will develop a document distribution list by format and provide the list to the contractor. Concurrent with the publication of the NOA in the Federal Register other methods of informing the public, stakeholders, other federal agencies, state and local governments, the media and other interested parties as described in a communication plan will be effected. BLM will provide the public with an opportunity to review and comment on the DEIS. Public meeting(s) will be held to provide opportunities for the public to gather additional or clarifying information prior to

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making their comments. An official public hearing to take public comment may be held, if necessary or requested.

FINAL EIS

Development of the FEIS will incorporate (as appropriate) public, COMPANIES, and agency comments on the DEIS. Distribution of the FEIS will provide the public with an opportunity to review and comment on the document.

MEDIA

The news media will be provided news releases at each stage of the NEPA process (i.e., public scoping, issuance of DEIS, FEIS, and ROD). In addition, they will be advised of any public meetings. All news releases will be coordinated through the BLM-
_____ Public Affairs Specialist.